

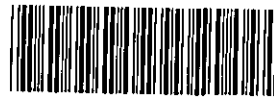
**ASIA FIBER PUBLIC COMPANY LIMITED**

33/133-136 Surawongse Road, Suriyawongse, Bangrak, Bangkok 10500, Thailand.
 Tel. (66) 0-2632-7071, 0-2235-4761, 0-2235-9744 Facsimile : (66) 0-2236-1982
 E-mail : sales@asiafiber.com http://www.asiafiber.com

เลขทะเบียน บมจ. 237



Securities and Exchange Commission
 Division of Corporate Finance
 450 Fifth Street
 Washington, DC 20549
UNITED STATES OF AMERICA



07028152

Attention: International Corporate Finance
 Re: Asia Fiber Public Company Limited
 Rule 12g3-2 (b) Exemption
File No. 82-2842

SUPPL

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 2007 NOV 20 P 4:33
 SEC OF INTERIOR
 DIV OF CORPORATE FINANCE

Ladies and Gentlemen:

Pursuant to Rule 12g3-2 (b) (1) (iii), and on behalf of Asia Fiber Public Company Limited (the "Company"), enclosed are the documents described on Annex A hereto for your attention.

These documents supplement the information previously provided with respect to the Company's request for exemption under Rule 12g3-2, which exemption was established on June 4, 1990.

This information is being furnished with the understanding that such information and documents will not be deemed "filed" with the Securities and Exchange Commission (the "SEC") or otherwise subject to the liabilities of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), and that neither this letter nor the furnishing of such documents shall constitute an admission for any purpose that this Company is subject to the Exchange Act.

Please do not hesitate to contact the undersigned at (011-66-2) 237-5928 or (011-66-2) 632-7071 in Bangkok, Thailand if you have any questions.

Please acknowledge receipt of this letter and the enclosed materials by date stamping the enclosed receipt copy of this letter and return it to Andrew J. Delaney, Esq., Skadden, Arps, Slate, Meagher & Flom, 919 Third Avenue, New York, NY 10022 in the enclosed self-addressed stamped envelope.

Thank you for your attention.

PROCESSED

NOV 26 2007

THOMSON
 FINANCIAL



Very truly yours,

[Signature]

Mr. Chen Namchaisiri

President

[Signature]
 11/21

Enclosure

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OFFICE OF THE
SECRETARY

(File No. 82-2842)

Annex A to Letter to the SEC
dated November 16, 2007 of
Asia Fiber Public Company Limited

The documents checked below are being furnished to the SEC to supplement information provided with respect to the Company's request for exemption under Rule 12g3-2, which exemption was established on June 4, 1990:

Description of Document

Check if Enclosed

Title: _____ Annual Report

Date: as of _____

Entity requiring item: The Securities
Exchange of Thailand (the "SET") pursuant
to its rules governing listed companies. _____

Title: Audited Financial Information
for Years Ended _____ and _____

Date: as of _____ and _____

Entity requiring item: The SET pursuant
to its rules governing listed companies. _____

Title: Unaudited Financial Information
for Years Ended _____, 200__ and 200__

Date: as of _____, 200__ and 200__

Entity requiring item: The SET pursuant
to its rules governing listed companies. _____

Title: Interim Financial Information
for Three Months Ended September 30, 2007
and Review Report of Certified Public Accountant

Date: as November 16, 2007

Entity requiring item: The SET pursuant
to its rules governing listed companies. _____

Title: Invitation to Shareholders to
Attend Ordinary Meeting on _____

Date: _____

Entity requiring item: Pursuant to the
Civil and Commercial Code of Thailand. _____

Description of Document

Check if Enclosed

Title: Proxy Form for Ordinary Meeting of Shareholders on _____, 200__

Date: _____, 200__

Entity requiring item: Pursuant to the Civil and Commercial Code of Thailand.

Title: Prospectus for the Offering of _____ Shares of Common Stock of the Company

Date: _____, 200__

Entity requiring item: The SET pursuant to its rules governing listed companies.

Title: Minutes of the _____ Shareholders Meeting

Date: _____, 200__

Entity requiring item: The SET pursuant to its rules governing listed companies.

Title: Press Release

Date: _____, 200__

Entity requiring item: The SET pursuant to its rules governing listed companies.

Other:

Title:

Date: _____, 200__

Entity requiring item:



**บริษัท เอเชียไฟเบอร์ จำกัด (มหาชน)
ASIA FIBER PUBLIC COMPANY LIMITED**

33/133-136 Surawongse Road, Suriyawongse, Bangrak, Bangkok 10500, Thailand.
Tel. (66) 0-2632-7071, 0-2235-4761, 0-2235-9744 Facsimile : (66) 0-2236-1982
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เลขทะเบียน บมจ. 237



**OPERATING RESULTS
ENDED September 30, 2007**

The results for the first quarter of the fiscal year 2007/2008, ending on September 30, 2007 showed a net loss of 6.92 million Baht, or 0.15 Baht per share, while the corresponding results of previous year showed a net profit of 2.74 million Baht, or 0.06 Baht per share, a decrease of 9.66 million Baht, or 352.37%, the reasons were as follow:

1. Net sales decreased from 445.78 million Baht last year to 405.59 million Baht this year, a decrease of 40.19 million Baht or 9.02%. Domestic sales dropped from 240.63 million Baht last year to 182.05 million Baht this year, a decrease of 58.58 million Baht or 24.34%, while export sales increased from 205.15 million Baht last year to 223.54 million Baht this year, an increase of 18.39 million Baht or 8.96%, and gross margin from last year 9.85 million Baht or 2.21%. Meanwhile, gross margin from this year declined to 0.65 million Baht or 0.16%. The main reasons are our raw material cost is still on the high side but the highly competitive market situation did not allow full adjustment of our selling price per the actual cost.
2. Operating expense increased from 15.84 million Baht last year to 16.96 million Baht this year, an increase 1.12 million Baht or 7.11%.

On the other hand, interest expense decreased from 2.12 million Baht last year to 0.28 million Baht, a decrease of 1.84 million Baht or 80.8%, due to repayment of loans from the excess cash flow, and other income increased 10.84 million Baht last year to 10.98 million Baht this year, an increase of 0.14 million Baht of 1.27%.



(Mr.Chen Namchaisiri)

Director

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ASIA FIBER PUBLIC COMPANY LIMITED



บริษัท เอเชียไฟเบอร์ จำกัด (มหาชน)
ASIA FIBER PUBLIC COMPANY LIMITED

33/133-136 Surawongse Road, Suriyawongse, Bangrak, Bangkok 10500, Thailand.
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เลขทะเบียน บมจ. 237



(Reviewed Quarter – 1 F/S (F45-1))

Report: Reviewed Quarterly Financial Statements

ASIA FIBER PUBLIC CO., LTD.

Reviewed

Ending September 30, 2007

(In Thousands)

Quarter 1

| | Year | 2007 | 2006 |
|-------------------|---------|-------|------|
| Net profit (loss) | (6,921) | 2,742 | |
| EPS (baht) | (0.15) | 0.06 | |

Type of report : Unqualified Opinion

Comment : 1. Please see details in financial statements, auditor's report and remarks from SET
Information Management System

"The company hereby certifies that the information above is correct and complete.
In addition, the company has already reported and disseminated its financial statements in full
via the SET Electronic Listed Company Information Disclosure (ELCID), and has also submitted
the original report to the Securities and Exchange Commission."



(Mr.Chen Namchaisiri)

Director

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OFFICE OF THE SECRETARY
CORPORATE FINANCE

ASIA FIBER PUBLIC COMPANY LIMITED
FINANCIAL STATEMENTS AND AUDITOR'S REVIEW REPORT
JULY 1, 2007 TO SEPTEMBER 30, 2007



Auditor's Review Report

To the Shareholders and Board of Directors of Asia Fiber Public Company Limited

I have reviewed the balance sheet of Asia Fiber Public Company Limited as at September 30, 2007, the related statements of income, changes in shareholders' equity and cash flows for each of the three-month periods ended September 30, 2007 and 2006. The management of Asia Fiber Public Company Limited is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with auditing standards applicable to review engagements. This Standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. Accordingly, I do not express an audit opinion on the reviewed financial statements.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the financial statements of Asia Fiber Public Company Limited for the year ended June 30, 2007 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements in my report dated August 28, 2007. The Company's balance sheet as at June 30, 2007, which has been presented herein for comparative purpose, is a component of those financial statements, which I have audited and reported thereon. I have not performed any audit procedures subsequent to the date of that report.

Bangkok

November 12, 2007


(Mr. Porchai Kittipanya-ngam)

Authorized Auditor No. 2778

Bunchikij Co., Ltd.

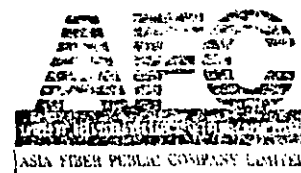


ASIA FIBER PUBLIC COMPANY LIMITED
BALANCE SHEETS
AS AT SEPTEMBER 30, 2007 AND JUNE 30, 2007

Unit : Thousand Baht

| ASSETS | | | |
|--|-------------|---|--------------------------|
| | Notes | Reviewed/ Unaudited Sep. 30, 2007 | Audited Jun. 30, 2007 |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 41,423 | 76,524 |
| Trade accounts and notes receivable, net | | | |
| - Related companies | 4 | 55,446 | 55,647 |
| - Other companies | 6 | 140,519 | 155,240 |
| Inventories, net | 7 | 320,272 | 310,659 |
| Inventories in transit | | 5,994 | 3,683 |
| Other current assets | | 16,570 | 14,818 |
| Total Current Assets | | 580,224 | 616,571 |
| NON-CURRENT ASSETS | | | |
| Investment in common shares of associated company | 2.3, 3.5, 8 | - | - |
| Investment in common shares of other company (general investment) - at cost | 9 | 500 | 500 |
| Property, plant and equipment, net | 10, 11 | 439,448 | 442,755 |
| Other non-current assets | | 512 | 531 |
| Total Non-Current Assets | | 440,460 | 443,786 |
| TOTAL ASSETS | | 1,020,684 | 1,060,357 |

Notes to financial statements are an integral part of these statements.



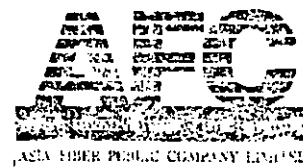
ASIA FIBER PUBLIC COMPANY LIMITED
BALANCE SHEETS (CONTINUED)
AS AT SEPTEMBER 30, 2007 AND JUNE 30, 2007

Unit : Thousand Baht

LIABILITIES AND SHAREHOLDERS' EQUITY

| | Notes | Reviewed/ Unaudited Sep. 30, 2007 | Audited Jun. 30, 2007 |
|--|-------|---|--------------------------|
| CURRENT LIABILITIES | | | |
| Bank overdrafts and short-term loans from financial institutions | 9, 10 | 4,299 | 30,012 |
| Trade account payables | | 40,283 | 38,737 |
| Other current liabilities | | 34,680 | 43,265 |
| Total Current Liabilities | | 79,262 | 112,014 |
| Total Liabilities | | 79,262 | 112,014 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | | | |
| - Authorized share capital, 100,000,000 Ordinary shares of Baht 10 each, | | 1,000,000 | 1,000,000 |
| - Issued and paid-up share capital, 45,574,266 Ordinary shares of Baht 10 each, | | 455,743 | 455,743 |
| Premium on share capital | | 369,500 | 369,500 |
| Revaluation increment in land | 9 | 247,992 | 247,992 |
| Retained earnings (deficit) | | | |
| Appropriated for : | | | |
| - Legal reserve | 11 | 16,248 | 16,248 |
| - General reserve | | 1,358 | 1,358 |
| Deficit | | (149,419) | (142,498) |
| Shareholders' Equity, Net | | 941,422 | 948,343 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 1,020,684 | 1,060,357 |

Notes to financial statements are an integral part of these statements.





ASIA FIBER PUBLIC COMPANY LIMITED

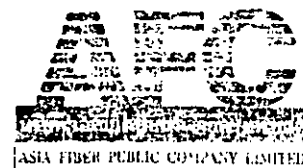
STATEMENTS OF INCOME

FOR EACH OF THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006

Unit : Thousand Baht

| | Notes | Sep. 30, 2007 | Sep. 30, 2006 |
|---|--------------|----------------|----------------|
| REVENUES | | | |
| Net sales | 4 | 402,851 | 444,282 |
| Service income | | 2,742 | 1,501 |
| Other income | 4 | 10,976 | 10,838 |
| Total Revenues | | 416,569 | 456,621 |
| EXPENSES | | | |
| Cost of sales | | 404,176 | 434,715 |
| Cost of services | | 2,071 | 1,210 |
| Selling and administrative expenses | | 16,725 | 15,599 |
| Directors' remuneration | | 238 | 238 |
| Total Expenses | | 423,210 | 451,762 |
| Profit (Loss) before Interest Expense | | (6,641) | 4,859 |
| Interest Expense | | (280) | (2,117) |
| NET PROFIT (LOSS) | | (6,921) | 2,742 |
| Basic Earnings (Loss) per Share | 3.13 | -0.15 | 0.06 |
| Weighted Average Number of Ordinary Shares | (Shares) | 45,574,266 | 45,574,266 |

Notes to financial statements are an integral part of these statements.



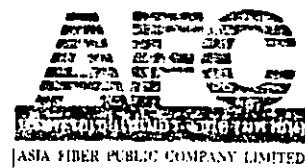
ASIA FIBER PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR EACH OF THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006

| | Notes | Issued and Paid-up Share Capital | Premium on Share Capital | Revaluation Increment in Land | Retained Earnings | | | Deficit | Net |
|----------------------------------|-------|--|--------------------------------|-------------------------------------|-------------------|--------------------|-----------|---------|-----|
| | | | | | Appropriated for | | | | |
| | | | | | Legal Reserve | General Reserve | | | |
| Balance as at July 1, 2006 | | 455,743 | 369,500 | 247,992 | 16,248 | 1,358 | (115,320) | 975 | |
| Net profit for the period | | - | - | - | - | - | 2,742 | 2,742 | |
| Balance as at September 30, 2006 | | 455,743 | 369,500 | 247,992 | 16,248 | 1,358 | (112,578) | 978 | |
| Balance as at July 1, 2007 | | 455,743 | 369,500 | 247,992 | 16,248 | 1,358 | (142,498) | 948 | |
| Net loss for the period | | - | - | - | - | - | (6,921) | (6,921) | |
| Balance as at September 30, 2007 | | 455,743 | 369,500 | 247,992 | 16,248 | 1,358 | (149,419) | 941 | |

Unit : Thousand

Unit : Thousand

Notes to financial statements are an integral part of these statements.



ASIA FIBER PUBLIC COMPANY LIMITED

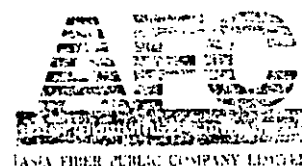
STATEMENTS OF CASH FLOWS

FOR EACH OF THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006

Unit : Thousand Baht

| | Notes | Sep. 30, 2007 | Sep. 30, 2006 |
|---|-------|---------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net profit (loss) | | (6,921) | 2,742 |
| Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities | | | |
| Reversal of allowance for slow-moving spare parts for machinery, net | | (54) | (64) |
| Depreciation | | 10,278 | 11,144 |
| Gain on disposal of fixed assets | | 0 | (302) |
| Disposal of spare parts for machinery | | 5 | 0 |
| Unrealized loss (gain) on foreign exchange, net | | 5 | (138) |
| Decrease (Increase) in Operating Assets: | | | |
| Trade accounts and notes receivable | | 14,917 | 14,623 |
| Inventories | | (9,613) | 11,390 |
| Inventories in transit | | (2,311) | 1,857 |
| Other current assets | | (1,752) | 18,120 |
| Other non-current assets | | 19 | 0 |
| Increase (Decrease) in Operating Liabilities: | | | |
| Trade account payables | | 1,546 | (6,348) |
| Other current liabilities | | (8,585) | (2,375) |
| Net Cash Provided by (Used in) Operating Activities | | (2,466) | 50,649 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Cash proceeds from disposal of fixed assets | | 0 | 302 |
| Purchases of fixed assets | | (6,922) | (231) |
| Net Cash Provided by (Used in) Investing Activities | | (6,922) | 71 |

Notes to financial statements are an integral part of these statements.



ASIA FIBER PUBLIC COMPANY LIMITED
 STATEMENTS OF CASH FLOWS (CONTINUED)
 FOR EACH OF THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006

Unit : Thousand Baht

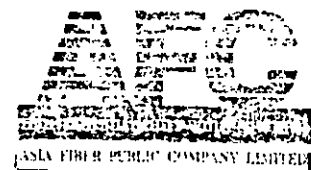
| | Notes | Sep. 30, 2007 | Sep. 30, 2006 |
|---|-------|---------------|---------------|
| CASH FLOWS FROM FINANCING ACTIVITY: | | | |
| Decrease in bank overdrafts and short-term loans from financial institutions | | - (25,713) | (60,000) |
| Net Cash Used in Financing Activity | | (25,713) | (60,000) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | (35,101) | (9,280) |
| CASH AND CASH EQUIVALENTS AT BEGINNING | | | |
| OF PERIOD | | 76,524 | 57,431 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | | 41,423 | 48,151 |

Additional Cash Flow Information:

Cash payments during the period for:

| | | |
|--|-----|-------|
| - Interest expense | 585 | 2,825 |
| - Withholding income tax deducted at sources | 26 | 24 |

Notes to financial statements are an integral part of these statements.



ASIA FIBER PUBLIC COMPANY LIMITED

Notes to Financial Statements

As at September 30, 2007 and 2006 and June 30, 2007

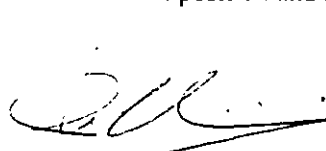

1. GENERAL INFORMATION

- 1.1 Asia Fiber Public Company Limited was incorporated in Thailand on March 10, 1970 and has been listed in the Stock Exchange of Thailand on September 22, 1975. The Company is engaged in manufacturing of nylon products.
- 1.2 The Company's office and factory addresses are as follows:
- Office : 27th Floor, Wall Street Tower, 33/133-136 Surawongse Road, Suriyawongse, Bangrak, Bangkok, Thailand.
- Factory : 406 - 7 Moo 7, Sukhumvit Road Km. 33.5, Tambol Bangpoomai, Muang District, Samutprakarn, Thailand.
- 1.3 The number and cost of employees

| | | Reviewed/ Unaudited Sep. 30, 2007 | Reviewed/ Unaudited Sep. 30, 2006 |
|-------------------------|----------------|---|---|
| The number of employees | (People) | 949 | 1,063 |
| The cost of employees | (Million Baht) | 42.6 | 44.5 |

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

- 2.1 The financial statements have been prepared in accordance with Thai Generally Accepted Accounting Standards, which are issued under the Accounting Profession Act B.E. 2547, and according to the requirements of the Securities and Exchange Commission, and the regulation of the Stock Exchange of Thailand.
- 2.2 The measurement basis used in preparing the financial statements is that the other than those disclosed in notes to the financial statements, the financial statements are prepared on the historical cost basis.
- 2.3 The Company did not present separate financial statements and financial statements in which the equity method are applied as at June 30, 2007 and for the three-month period ended September 30, 2006 as required by the Accounting Standard No. 44 (revised 2550) "Consolidated and Separate Financial Statements" and the Accounting Standard No. 45 (revised 2550) "Accounting for Investments in Associates" since during the three-month period ended September 30, 2007, the Company has written-off the investment in common shares of Prachin Power Co., Ltd., the associated company, which the Central Bankruptcy Court sentenced the associated company to be bankrupt according to the Bankruptcy Act B.E. 2483. In addition, the financial position and results of operations of the separate

ASIA FIBER PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

financial statements and the financial statements in which the equity method are applied are not different with the presented financial statements, which represent the investment in common shares at zero amount.

- 2.4 For convenience of the readers, an English translation of financial statements has been prepared from the statutory Thai language financial statements, which are issued for domestic financial reporting purposes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

Revenue from the sale of goods is recognized in the statements of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs, the probable return of goods or the continuing management involvement with the goods.

Service income is principally based on services rendered on an accrual basis.

Other income is recognized on an accrual basis.

3.2 Cash and Cash Equivalents

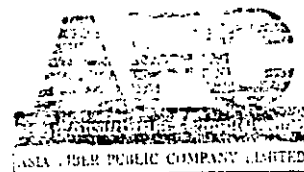
Cash and cash equivalents mean cash on hand and deposits at financial institutions which the due-date are not over three months at financial institutions and which are not restricted in their uses.

3.3 Allowance for Doubtful Accounts

Trade accounts and notes receivable are stated at invoice amount net of allowance for doubtful accounts. The Company provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on collection experience coupled with a review of the current status of the existing receivables.

3.4 Inventory Valuation

The Company values its inventories at moving average cost or net realizable value, whichever is lower.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Investments in Common Shares

3.5.1 As at June 30, 2007, investment in associated company is accounted for by the equity method. If the associated company report net loss, the Company will discontinue applying the equity method when the balance of investment in such associated company is reduced to zero.

The Company has written-off the investment in common shares of Prachin Power Co., Ltd., the associated company, which the Central Bankruptcy Court sentenced the associated company to be bankrupt according to the Bankruptcy Act B.E. 2483.

3.5.2 The investments in shares of other company (general investment), which held for long-term purpose, are recorded at cost. Gains or losses are taken up in the accounts when the investments are disposed. The cost of investment disposed during the year is determined by the weighted average method.

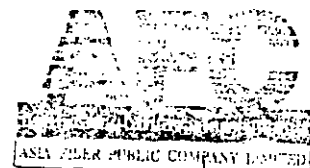
3.6 Property, Plant and Equipment and Depreciation

Land is stated at appraised value. Plant and equipment are stated at cost less accumulated depreciation. When assets are sold or retired, their costs and accumulated depreciations are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statements of income.

The Company depreciates its plant and equipment by reference to their costs on a straight-line basis over the following estimated useful lives:

| | Years |
|--|---------|
| Buildings and improvements | 10 - 20 |
| Machinery and equipment | 5 - 15 |
| Furniture, fixtures and office equipment | 5 - 10 |
| Vehicles | 5 |

The Company values its spare parts for machinery at moving average cost net of allowance for slow-moving spare parts for machinery.



[Handwritten signature]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment of Assets (Continued)

The Company reviews the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount (the higher of asset's selling price or value in use) of assets is below the carrying amount. The review is made for individual assets or for the cash-generating unit.

If the carrying value of an asset exceeds its recoverable amount, the Company recognizes the impairment losses by reducing the carrying value of the asset to its recoverable amount and recording the devaluation in statements of income or reducing revaluation increment in assets in case that those assets were previously revalued. The reversal of impairment losses recognized in prior years is recorded as part of other income or as a revaluation increment in assets when there is an indication that the impairment losses recognized for the assets no longer exist or is decreased. Such a reversal should not exceed the carrying amount that would have been determined (net of the associated depreciation or amortization).

3.8 Provisions

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.9 Use of Estimates

In order to prepare financial statements in conformity with generally accepted accounting standards in Thailand, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.


ASIA FIBER PUBLIC COMPANY LIMITED

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense on a systematic basis over the lease term.

3.11 Foreign Currency Transactions

Transactions in foreign currencies throughout the year are recorded in Baht at rates prevailing at the date of transactions. Outstanding assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Baht at the prevailing bank rates at that date. Gains or losses arising from the translation are credited or charged to operations.

In case that assets and liabilities are covered by forward exchange contracts, they are translated into Baht at the rates of the related forward exchange contracts. The related forward premium is recorded as income/expense over the forward contract term. The said amortized forward premium income/expense and gains or losses on the forward exchange contracts covering assets and liabilities are offset against the related exchange losses or gains on the receivables and liabilities being hedged.

3.12 Income Tax

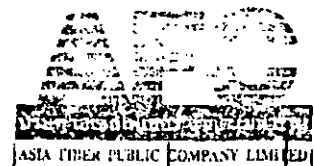
The provision for income tax is based on the amount payable according to the Revenue Code (if any).

3.13 Basic Earnings (Loss) per Share

Basic earnings (loss) per share is determined by dividing the net profit (loss) by the weighted average number of ordinary shares outstanding during the periods.

4. TRANSACTIONS WITH RELATED COMPANIES

A portion of the Company's assets and revenues represent transactions occurred with its related companies. These companies are related through ordinary shareholders and/or directorships. Those significant transactions with related companies as included in the financial statements are determined at the prices in line with those occur in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.



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ASIA FIBER PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

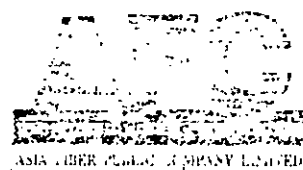
4. TRANSACTIONS WITH RELATED COMPANIES (CONTINUED)

As at September 30, 2007 and June 30, 2007, the related companies consisted of:

| Company's Name | Types of Relation | Relationship |
|---------------------------------------|-------------------|--------------|
| Thai Far East Co., Ltd. | Related company | Directorship |
| T.F.E. Trading Co., Ltd. | Related company | Directorship |
| Thai Industries Development Co., Ltd. | Related company | Directorship |
| Asia Garment Co., Ltd. | Related company | Directorship |
| Thai Sewing Industrial Co., Ltd. | Related company | Directorship |

As at September 30, 2007 and June 30, 2007, trade accounts and notes receivables from related companies consisted of:

| | Unit : Thousand Baht | | | |
|--------------------------------------|----------------------|------------|------------------------|---------------|
| | Audited | | Reviewed/ Unaudited | |
| | Jun. 30, 2007 | Increase | Decrease | Sep. 30, 2007 |
| Thai Far East Co., Ltd. | 106,954 | 73 | 95 | 106,932 |
| T.F.E. Trading Co., Ltd. | 19,324 | - | - | 19,324 |
| Asia Garment Co., Ltd. | 234 | 200 | 308 | 126 |
| Thai Sewing Industrial Co., Ltd. | <u>135</u> | <u>135</u> | <u>206</u> | <u>64</u> |
| Total | 126,647 | <u>408</u> | <u>609</u> | 126,446 |
| Less allowance for doubtful accounts | (71,000) | | | (71,000) |
| Net | <u>55,647</u> | | | <u>55,446</u> |



ASIA FIBER PUBLIC COMPANY LIMITED

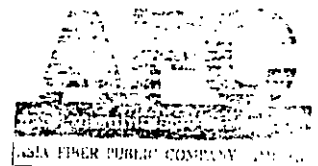
Notes to Financial Statements (Continued)

4. TRANSACTIONS WITH RELATED COMPANIES (CONTINUED)

The aging analysis of the above trade accounts and notes receivable from related companies as at September 30, 2007 and June 30, 2007 are as follows:

| | Unit : Thousand Baht | |
|--------------------------------------|---|--------------------------|
| | Reviewed/ Unaudited Sep. 30, 2007 | Audited Jun. 30, 2007 |
| Current to 3 months | 258 | 489 |
| Over 3 months to 6 months | 145 | 64 |
| Over 6 months to 12 months | 391 | 732 |
| Over 12 months | <u>125,652</u> | <u>125,362</u> |
| Total | 126,446 | 126,647 |
| Less allowance for doubtful accounts | (71,000) | (71,000) |
| Net | <u>55,446</u> | <u>55,647</u> |

As at September 30, 2007 and June 30, 2007, the Company had long-outstanding (more than 6 months) trade account receivables from two related companies (Thai Far East Co., Ltd. and T.F.E. Trading Co., Ltd.) totalling Baht 126.0 million and Baht 126.1 million, respectively (the outstanding balances from these companies as at September 30, 2007 and June 30, 2007 totalling Baht 126.3 million). The land and construction thereon of such companies are mortgaged as collateral for these receivables. The appraised value based on reports of an independent appraisal firm dated February 27, 2006 amounted to Baht 93.5 million (at market price) and Baht 56.1 million (at force sale price). Based on conservative basis, the Company provided an allowance for doubtful accounts of Baht 71.0 million as at September 30, 2007 and June 30, 2007. The management believes that such allowance is adequate to absorb possible losses on the difference of appraised value of these assets and the balance of receivables. However, the management has no policy to seize the mortgaged assets from these receivables for market auction at the present since these receivables still operate in the normal course of business.



ASIA FIBER PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

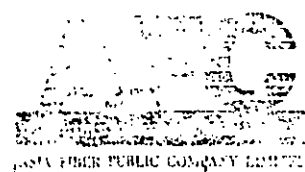
4. TRANSACTIONS WITH RELATED COMPANIES (CONTINUED)

The transactions with the related companies which included in the statements of income for each of the three-month periods ended September 30, 2007 and 2006 are as follows:

| | | Unit : Thousand Baht | |
|-----------------------------------|-----------------------------------|------------------------|------------------------|
| | | Reviewed/ Unaudited | Reviewed/ Unaudited |
| | | Sep. 30, 2007 | Sep. 30, 2006 |
| Net sales | Policy of Pricing Market Price | 381 | 939 |
| Interest income | | | |
| (on delay payment from customers) | Negotiated Agreement | 722 | 722 |

5. CASH AND CASH EQUIVALENTS

| | | Unit : Thousand Baht | |
|-----------------------------|--|------------------------|---------------|
| | | Reviewed/ Unaudited | Audited |
| | | Sep. 30, 2007 | Jun. 30, 2007 |
| Cash | | 383 | 402 |
| Cash at banks - current a/c | | 734 | 1,691 |
| Cash at banks - saving a/c | | <u>40,306</u> | <u>74,431</u> |
| Total | | <u>41,423</u> | <u>76,524</u> |



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ASIA FIBER PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

6. TRADE ACCOUNTS AND NOTES RECEIVABLE - OTHER COMPANIES, NET

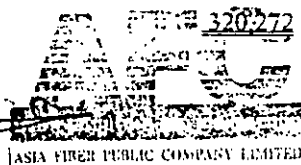
The aging analysis of trade accounts and notes receivable - other companies as at September 30, 2007 and June 30, 2007 are as follows:

| | Unit : Thousand Baht | |
|--------------------------------------|---|--------------------------|
| | Reviewed/ Unaudited Sep. 30, 2007 | Audited Jun. 30, 2007 |
| Current to 3 months | 148,989 | 163,661 |
| Over 3 months to 6 months | - | 49 |
| Over 6 months to 12 months | - | - |
| Over 12 months | <u>2,143</u> | <u>2,143</u> |
| Total | 151,132 | 165,853 |
| Less allowance for doubtful accounts | (<u>10,613</u>) | (<u>10,613</u>) |
| Net | <u>140,519</u> | <u>155,240</u> |

As at September 30, 2007 and June 30, 2007, the allowance for doubtful accounts amounted to Baht 10.6 million. The management believes that such allowance is adequate to absorb possible losses on doubtful accounts.

7. INVENTORIES, NET

| | Unit : Thousand Baht | |
|--|---|--------------------------|
| | Reviewed/ Unaudited Sep. 30, 2007 | Audited Jun. 30, 2007 |
| Finished goods | 192,922 | 165,621 |
| Work in process | 101,087 | 117,815 |
| Raw materials | 17,176 | 18,547 |
| Spare parts and factory supplies | <u>12,580</u> | <u>12,169</u> |
| Total | 323,765 | 314,152 |
| Less allowance for decline in value of inventories | (2,000) | (2,000) |
| allowance for slow-moving spare parts and factory supplies | (<u>1,493</u>) | (<u>1,493</u>) |
| Net | <u>320,272</u> | <u>310,659</u> |



ASIA FIBER PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

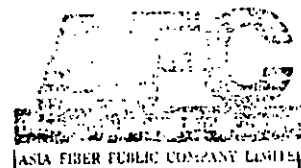
8. INVESTMENT IN COMMON SHARES OF ASSOCIATED COMPANY

| Unit : Thousand Baht | | | | | | |
|-------------------------|------------------------|--------------|-----------------|-----------------|----------------|------------------|
| The Company Name | Type of Business | Relationship | % Share Holding | Paid-up Capital | At Cost Method | At Equity Method |
| June 30, 2007 | | | | | | |
| Prachin Power Co., Ltd. | Electricity Generating | Directorship | 31.12 | 43,286 | <u>13,471</u> | <u>-</u> |

For the three-month period ended September 30, 2007, the Company has written-off the investment in common shares of associated company. (please see as discussed in Note 2.3)

9. INVESTMENT IN COMMON SHARES OF OTHER COMPANY (General Investment) – At Cost

| Unit : Thousand Baht | | |
|--|---|--------------------------|
| | Reviewed/ Unaudited Sep. 30, 2007 | Audited Jun. 30, 2007 |
| Thai Caprolactum Public Company Limited (Paid-up capital of Baht 8,576.4 million) | <u>500</u> | <u>500</u> |



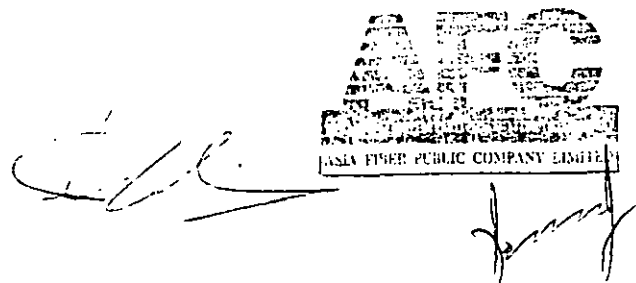
ASIA FIBER PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

10. PROPERTY, PLANT AND EQUIPMENT, NET

Unit : Thousand Baht

| | Audited Jun. 30, 2007 | Increase | Decrease | Reviewed/ Unaudited Sep. 30, 2007 |
|---|--------------------------|---------------|-----------|---|
| At Appraised Value | | | | |
| Land and improvements | 263,000 | - | - | 263,000 |
| At Cost | | | | |
| Buildings and improvements | 378,784 | 211 | - | 378,995 |
| Machinery and equipment | 2,063,310 | 1,399 | - | 2,064,709 |
| Spare parts for machinery | 54,055 | - | 5 | 54,050 |
| Furniture, fixtures and office equipment | 14,648 | 12 | - | 14,660 |
| Vehicles | 5,252 | - | - | 5,252 |
| Machinery and equipment in transit | - | 5,300 | - | 5,300 |
| Total | 2,779,049 | 6,922 | 5 | 2,785,966 |
| Accumulated Depreciation | | | | |
| Buildings and improvements | 326,586 | 3,323 | - | 329,909 |
| Machinery and equipment | 1,981,574 | 6,839 | - | 1,988,413 |
| Furniture, fixtures and office equipment | 14,288 | 48 | - | 14,336 |
| Vehicles | 4,469 | 68 | - | 4,537 |
| Total | 2,326,917 | 10,278 | - | 2,337,195 |
| Net | 452,132 | | | 448,771 |
| Less allowance for slow-moving spare parts for machinery | 9,377 | - | 54 | 9,323 |
| Property, plant and equipment, net | 442,755 | | | 439,448 |



ASIA FIBER PUBLIC COMPANY LIMITED

10. PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

Depreciation for each of the three-month periods ended September 30, 2007 and 2006 amounted to Baht 10.3 million and Baht 11.1 million, respectively.

The Company appraised its land by following Accounting Standard No. 32 issued by the Federation of Accounting Professions Under The Royal Patronage Of His Majesty The King which allows the valuation of property, plant and equipment at appraisal amounts for financial statements reporting purposes.

As at September 30, 2007 and June 30, 2007, the Company's land is stated at the appraised value (based on report of an independent appraisal firm dated March 23, 2005). The excess of appraised value over cost of Baht 248 million is shown as "Revaluation increment in land" under "Shareholders' Equity" in the balance sheets. The revaluation increment in land is not available for dividend distribution.

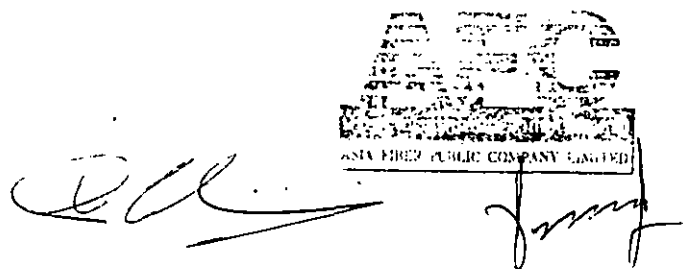
As at September 30, 2007 and June 30, 2007, certain fixed assets with

- a) The original costs totalling Baht 2,019.6 million and Baht 2,017.0 million, respectively, are fully depreciated but they are still in active use.
- b) The net carrying values totalling Baht 327.0 million and Baht 331.0 million, respectively, are mortgaged/pledged as collateral for credit facilities with financial institutions as discussed in Note 11.

11. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

| | Unit : Thousand Baht | |
|---|----------------------|---------------|
| | Reviewed/ | |
| | Unaudited | Audited |
| | Sep. 30, 2007 | Jun. 30, 2007 |
| Bank overdrafts | 41 | 12 |
| Liabilities under trust receipts | 4,258 | - |
| Short-term loans | | |
| (interest rate at 5.08% p.a. as at June 30, 2007) | - | 30,000 |
| Total | 4,299 | 30,012 |

As at September 30, 2007 and June 30, 2007, the Company has overdraft lines with several local banks totalling Baht 30 million and Baht 35 million respectively. An overdraft line of Baht 30 million is collateralized by a part of the Company's land, machinery and equipment as discussed in Note 10.



Official stamp of Asia Fiber Public Company Limited with handwritten signature over it.

ASIA FIBER PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

11. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

(CONTINUED)

Liabilities under trust receipts and short-term loans of Baht 4.3 million and Baht 30.0 million as at September 30, 2007 and June 30, 2007, respectively, are collateralized by a part of the Company's land, building and structure, machinery and equipment as discussed in Note 10.

Under the terms of trust receipts agreements, certain imported inventories have been released to the Company in trust of the financial institutions. The Company, therefore, is accountable to the financial institutions for the trusted inventories or their sales proceeds.

12. LEGAL RESERVE

Under the provisions of the Limited Public Company Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net profit after deduction of the deficit brought forward (if any) as reserve fund until the reserve fund reaches 10% of the authorized share capital. This reserve is not available for dividend distribution.

13. DISCLOSURE OF FINANCIAL INSTRUMENTS

Liquidity Risk

Liquidity risk arises from the problem in raising funds adequately and in time to meet commitment as indicated in the financial statements. The management, based on the Company's current financial position and results of operations and its forecasted financial information, believes that at present the Company has no such risk.

Foreign Currency Risk

The Company has accounts receivable and accounts payable in foreign currency, giving rise to exposure to market risk from changes in foreign exchange rates. The management has regularly considered entering into the derivative agreement to hedge the foreign currency risk. As at September 30, 2007, the unhedged foreign currency receivables amounted to U.S. Dollars 1.2 million.



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ASIA FIBER PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

13. DISCLOSURE OF FINANCIAL INSTRUMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that a counterparty is unable or unwilling to meet a commitment that it entered into with the Company. The risk is controlled by the application of credit approvals, limits and monitoring procedures.

The carrying amount of accounts receivable recorded in the balance sheet, net of allowance for doubtful accounts represents the maximum exposure to credit risk.

Interest Rate Risk

Interest rate risk arises from fluctuations of market interest rates, which may have a negative effect to current and future operations of the Company. Management believes that the interest rate risk is minimum, hence, the Company has no hedging agreement to protect against such risk.

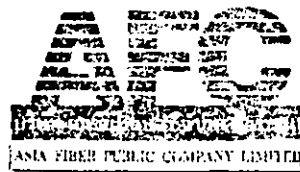
Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. Fair values are obtained from quoted market prices, discounted cash flow models or net asset values as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents, accounts receivables and payable, and bank overdrafts and short-term loans from financial institutions - the carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments.

Investments in common shares of other company, for which there is no quoted market prices; a reasonable estimate of fair value, which has been calculated based on the underlying net asset base for such investment, approximates its carrying value.



ASIA FIBER PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

14. SEGMENTATION OF BUSINESS

Unit : Thousand Baht

Reviewed/ Unaudited

For the three-month period ended September 30, 2007

| | Local | Export | Total |
|-------------------------------------|----------------|-----------------|------------------|
| Net sales | 179,312 | 223,539 | 402,851 |
| Services income | <u>2,742</u> | <u>-</u> | <u>2,742</u> |
| Total | <u>182,054</u> | <u>223,539</u> | <u>405,593</u> |
| Cost of sales | 173,820 | 230,356 | 404,176 |
| Cost of services | <u>2,071</u> | <u>-</u> | <u>2,071</u> |
| Total | <u>175,891</u> | <u>230,356</u> | <u>406,247</u> |
| Gross profit (loss) | <u>6,163</u> | <u>(6,817)</u> | <u>(654)</u> |
| Other income | | | 10,976 |
| Selling and administrative expenses | | | (16,725) |
| Directors' remuneration | | | (238) |
| Interest expense | | | (280) |
| Net loss | | | <u>(6,921)</u> |
| Property, plant and equipment, net | | | 439,448 |
| Others | | | <u>581,236</u> |
| Total assets | | | <u>1,020,684</u> |



ASIA FIBER PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

14. SEGMENTATION OF BUSINESS (CONTINUED)

Unit : Thousand Baht

Reviewed/ Unaudited

For the three-month period ended September 30, 2006

| | Local | Export | Total |
|-------------------------------------|----------------|-----------------|------------------|
| Net sales | 239,133 | 205,149 | 444,282 |
| Services income | <u>1,501</u> | <u>-</u> | <u>1,501</u> |
| Total | <u>240,634</u> | <u>205,149</u> | <u>445,783</u> |
| Cost of sales | 225,721 | 208,994 | 434,715 |
| Cost of services | <u>1,210</u> | <u>-</u> | <u>1,210</u> |
| Total | <u>226,931</u> | <u>208,994</u> | <u>435,925</u> |
| Gross profit (loss) | <u>13,703</u> | <u>(3,845)</u> | 9,858 |
| Other income | | | 10,838 |
| Selling and administrative expenses | | | (15,599) |
| Directors' remuneration | | | (238) |
| Interest expense | | | (2,117) |
| Net profit | | | <u>2,742</u> |
| Property, plant and equipment, net | | | 473,523 |
| Others | | | <u>681,349</u> |
| Total assets | | | <u>1,154,872</u> |

15. COMMITMENTS

As at September 30, 2007, the Company had

- unused letters of credit amounting to Baht 6.6 million.
- letter of guarantee issued by a local bank in favor of the Customs Department of Baht 1.0 million.

16. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on November 12, 2007, by the authorised directors.

